

Washington State Auditor's Office

Audit Report

Audit Services

Report No. 57973

CITY OF LAKEWOOD

Pierce County, Washington

October 5, 1995 Through February 27, 1996

Issue Date: February 21, 1997

TABLE OF CONTENTS

	Page
Background	B-1
Management Section	
<hr/>	
Independent Auditor's Report On Compliance With State Laws And Regulations . .	M-1
Financial Section	
<hr/>	
Independent Auditor's Report On Financial Statements	F-1
General-Purpose Financial Statements:	
Combined Balance Sheet) All Fund Types And Account Groups - 1996	F-2
Statement Of Revenues, Expenditures, And Changes In Fund Balance)	
All Governmental Fund Types - 1996	F-3
Statement Of Revenues, Expenditures, And Changes In Fund Balance)	
Budget And Actual) General Fund - 1996	F-4
Notes To Financial Statements	F-5
Addendum	
<hr/>	
Directory Of Officials	A-1

CITY OF LAKEWOOD
Pierce County, Washington
October 5, 1995 Through February 27, 1996

Background

The City of Lakewood was incorporated on February 28, 1996. The city consists of approximately 20 square miles in Southwestern Pierce County. It is the second most populated city in Pierce County with an approximate population of 65,200.

Pursuant to a successful petition drive by the prospective citizens, the incorporation election was held on March 14, 1995. Following voter approval of incorporation, the city council election took place on September 19, 1995. The newly-elected council members first met on October 12, 1995. The City of Lakewood operates under the laws of the state of Washington applicable to a non-charter code city with a council-manager form of government. Under the council-manager form of government, the voters elect at large a seven-member city council and the council elects one of its members to serve as mayor. This means that the mayor is not chief executive officer of the city but acts as chairman of the council for procedural purposes. Executive responsibility for the day-to-day operations is administered by a full-time city manager who is appointed by the city council.

Chapter 35.02 RCW, Incorporation Proceedings, authorizes an "interim period," prior to the date of incorporation, during which the newly elected officials may exercise various limited powers to facilitate the transition to becoming a city and to ensure continuity of services after incorporation. The city's interim period began September 19, 1995, with the election of the city council, and ended February 28, 1996.

The city officials financed their interim activities from the proceeds of a \$1,500,000 tax anticipation note and a loan from Washington State municipal sales and use tax equalization account.

CITY OF LAKEWOOD
Pierce County, Washington
October 5, 1995 Through February 27, 1996

**Independent Auditor's Report On Compliance With State
Laws And Regulations**

City Council
City of Lakewood
Lakewood, Washington

We have audited the general-purpose financial statements, as listed in the table of contents, of the City of Lakewood, Pierce County, Washington, as of and for the five months ended February 27, 1996, and have issued our report thereon dated September 6, 1996.

We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the city complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the city's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance, or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the city and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the city complied, in all material respects, with the applicable laws and regulations referred to in the preceding paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the city had not complied, in all material respects, with those provisions.

This report is intended for the information of management and the city council and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Brian Sonntag
State Auditor

September 6, 1996

CITY OF LAKEWOOD
Pierce County, Washington
October 5, 1995 Through February 27, 1996

Independent Auditor's Report On Financial Statements

City Council
City of Lakewood
Lakewood, Washington

We have audited the accompanying general-purpose financial statements of the City of Lakewood, Pierce County, Washington, as of and for the five months ended February 27, 1996, as listed in the table of contents. These financial statements are the responsibility of the city's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City of Lakewood, at February 27, 1996, and the results of its operations for the five months then ended, in conformity with generally accepted accounting principles.

Brian Sonntag
State Auditor

September 6, 1996

CITY OF LAKEWOOD
Pierce County, Washington
October 5, 1995 Through February 27, 1996

Directory Of Officials

Elected

		<u>Expiration</u>
Mayor	William Harrison	December 31, 1997
Council Members:	Ann Kirk Davis	December 31, 1997
	Sherri Thomas	December 31, 1997
	José Palmas	December 31, 1997
	Doug Richardson	December 31, 1997
	Claudia Thomas	December 31, 1997
	Colleen Henry	December 31, 1997

Appointed

City Manager	Scott Rohlfs
City Clerk	Alice Bush
Finance and Systems Director	Galen Kidd
City Attorney	Daniel Heid

Mailing Address

City Hall	9315 Gravelly Lake Drive SW Lakewood WA 98499
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